



What pathways are available to raise capital from investors?

A business may not offer or sell securities unless the offering has been registered with the SEC or falls within an exemption from registration.

EXEMPT OFFERINGS

Offerings conducted pursuant to an exemption from registration are often referred to as exempt offerings. There are multiple exemptions available for small businesses looking to raise capital from investors.



Rule 506(b) Private Placements

Rule 506(b) Private Placements allow companies to raise unlimited capital from investors with whom the company has a relationship and who meet certain wealth thresholds or have certain professional credentials. A company cannot use general solicitation in a 506(b) private placement.



Intrastate Offerings

Intrastate Offerings allow companies to raise capital within a single state according to state law. Many states limit the offering to between \$1 million and \$5 million in a 12-month period.



Rule 506(c) General Solicitation Offerings

Rule 506(c) General Solicitation Offerings allow companies to raise unlimited capital by broadly soliciting investors who meet certain wealth thresholds or have certain professional credentials.



Regulation A Offerings

Regulation A Offerings (sometimes called a “mini-IPO”) allow eligible companies to raise up to \$20 million in a 12-month period in a Tier 1 offering and up to \$75 million in a 12-month period in a Tier 2 offering through a process similar to, but less extensive than, a registered offering.



Rule 504 Limited Offerings

Rule 504 Limited Offerings allow companies to raise up to \$10 million in a 12-month period, in many cases from investors with whom the company has a relationship.



Regulation Crowdfunding Offerings

Regulation Crowdfunding Offerings allow eligible companies to raise up to \$5 million in investment capital in a 12-month period from investors online via a registered funding portal.

REGISTERED PUBLIC OFFERINGS

A registered public offering is commonly used to describe an offer and sale of securities that has been registered under the Securities Act. Companies must file a registration statement with the SEC and may not sell the securities until the SEC declares the registration statement effective.



Registered Offerings

Registered Offerings allow companies to raise unlimited capital through initial public offerings or secondary offerings using a registration statement filed with the SEC.



Initial Public Offerings

Initial Public Offerings provide an initial pathway for companies to raise unlimited capital from the general public through a registered offering. After its IPO, the company will be a public company with ongoing public reporting requirements.

ENGAGE WITH US



smallbusiness@sec.gov



202.551.5407



www.sec.gov/oasb



[@SECGOV](https://twitter.com/SECGOV)
[#SECSmallBiz](https://twitter.com/SECGOV)



<https://www.linkedin.com/company/secgov>

